

# More than Deprivation!

How can we present our neighbourhoods as areas of opportunity?



## Are we getting the right information and data?

Many neighbourhoods in the UK are not widely viewed as attractive locations for business or investors. A key factor which creates and maintains the perception of these communities as no-go areas is the lack of reliable market-based and neighbourhood-level intelligence.

This perception is made worse by the fact that identifying and promoting the assets and special market dynamics of deprived communities has not been a focus of government, local authorities or other public sector agencies.

UK regeneration strategies have tended to emphasise the weaknesses – illustrated by the use of deprivation-focused indicators – rather than the market potential. This reinforces negative images that impact not only on how public and private sector decision-makers view deprived neighbourhoods, but also how residents and local businesses themselves view and define their communities.

To challenge these negative images and (mis)perceptions of deprived

neighbourhoods requires partnerships with the private sector that are underpinned by new information sources and analytical tools that reveal the potential scope and breadth of investment opportunities in regeneration communities. Indeed in the future, as both the Lyons and Barker Reports suggest, local governments are likely to be given greater autonomy (through new tax raising and planning powers) to design and implement local economic development strategies that require greater awareness of the needs of business.

Building successful communities and economies in the UK's cities depends on developing greater shared understanding of how information influences investment decisions. When critical information is not available, not accurate, or not used by market intermediaries, an 'information gap' exists. Closing this gap will help markets to function more effectively to build economically sustainable communities, laying the basis for a robust investment climate, a vibrant labour market and residents with strong connections to economic opportunities.

## Developing a new generation of data tools

Economic development partners need to invest in the design and development of a new generation of data tools to inform and promote this new breed of public/private partnerships. These tools will need to engender greater co-operation with the private sector leading to local economic development strategies that encourage community cohesion and are adept at identifying and promoting the indigenous *strengths* of deprived communities, not just their *weaknesses*.

## Closing the information gap: Piloting the DrillDown in the UK

Rocket Science UK Ltd has been asked by Social Compact to broker its first DrillDown outside the United States. Rocket Science has received generous support both the public and private sector to conduct a full feasibility study in the London Borough of Tower Hamlets. The study will identify whether or not the DrillDown approach can be replicated in the UK. The feasibility study will be released in mid-December, after which, fund raising for the full DrillDown will commence.

## Changing the Lens

The types of effective information tools currently needed in the UK have already been developed in other countries. For the past 10 years, Social Compact, a national non-profit organisation based in Washington, DC, has designed and used an innovative information tool in deprived neighbourhoods across the U.S. that has helped in forging strong new partnerships and has catalysed hundreds of millions of dollars worth of investment. This tool is called the 'Neighbourhood Market DrillDown'. The DrillDown is a pioneering market analysis tool designed specifically to identify community strengths and market assets in deprived neighbourhoods. Poverty and deficiency data are appended with business indicators of market strength. Outdated census and modelled data are enhanced with current economic and demographic information. Some of the best private market analysis models - designed for the suburban market - are adapted to respond to the unique characteristics of deprived communities in order to capture hidden populations, economies and micro-market opportunities that exist below the radar of traditional market information sources.

### The DrillDown's success is two pronged:

- 1** It uses existing public and private data sources to generate real-time market data that tends to show that deprived neighbourhoods are far larger, safer and have greater buying power than previously thought.
- 2** DrillDown data provides the platform for new arenas of engagement between the public, private and community sectors resulting in innovative solutions to market failures in deprived communities leveraging hundreds of millions of pounds in investment in some of the most deprived inner-city neighbourhoods.